

## **Caution: *DRAFT FORM—NOT FOR FILING***

This is an early release draft of new IRS Form 8960, Net Investment Income Tax, which the IRS is providing for your information as a courtesy. **Do not file draft forms.** Also, do not rely on draft instructions and publications for filing. We generally do not release drafts of forms until we believe we have incorporated all changes. However, unexpected issues sometimes arise, or legislation is passed, necessitating a change to a draft form. In addition, forms generally are subject to OMB approval before they can be officially released.

The IRS prepared this draft of Form 8960 based solely on the [proposed regulations](#) issued by the Treasury Department and the IRS and published in the Federal Register on December 5, 2012. Although the regulations are generally proposed to be effective for taxable years beginning after December 31, 2013, taxpayers may rely on such regulations for the 2013 taxable year. Instructions for Form 8960 will be released later this year. This draft form does not reflect any public comments received on those regulations, and no inference should be drawn from any particular line item regarding the treatment of such item in the final regulations.

Early releases of draft forms and instructions are at [IRS.gov/draftforms](http://IRS.gov/draftforms). Please note that drafts may remain on IRS.gov even after the final release is posted at [IRS.gov/downloadforms](http://IRS.gov/downloadforms), and thus may not be removed until there is a new draft for the subsequent revision. All information about all revisions of all forms, instructions, and publications is at [IRS.gov/formspubs](http://IRS.gov/formspubs).

Most forms and publications also have their own easily accessible information page on IRS.gov. For example, the Form 1040 page is at [IRS.gov/form1040](http://IRS.gov/form1040); the Form W-2 page is at [IRS.gov/w2](http://IRS.gov/w2); the Publication 17 page is at [IRS.gov/pub17](http://IRS.gov/pub17); the Form W-4 page is at [IRS.gov/w4](http://IRS.gov/w4); the Form 8863 page is at [IRS.gov/form8863](http://IRS.gov/form8863); and the Schedule A (Form 1040) page is at [IRS.gov/schedulea](http://IRS.gov/schedulea). If typing in the links above instead of clicking on them: type the link into the address bar of your browser, not in a Search box; the text after the slash must be lowercase; and your browser may require the link to begin with “www.”. Note that these are shortcut links that will automatically go to the actual link for the page.

You can submit comments about draft or final forms, instructions, or publications on the [Comment on Tax Forms and Publications](#) page on IRS.gov. We cannot respond to all comments due to the high volume we receive, but we will carefully consider each one. Please note that we may not be able to consider many suggestions until the subsequent revision of the product.

**Net Investment Income Tax—  
Individuals, Estates, and Trusts**

▶ Attach to Form 1040 or Form 1041.

▶ Information about Form 8960 and its separate instructions is at [www.irs.gov/form8960](http://www.irs.gov/form8960).

OMB No. XXXX-XXXX

**2013**Attachment  
Sequence No. **72**

Name(s) shown on Form 1040 or Form 1041

Your social security number or EIN

**Part I Investment Income**☐ Section 6013(g) election (see instructions)☐ Regulations section 1.1411-10(g) election (see instructions)

<b>1</b>	Taxable interest (Form 1040, line 8a; or Form 1041, line 1)	<b>1</b>	
<b>2</b>	Ordinary dividends (Form 1040, line 9a; or Form 1041, line 2a)	<b>2</b>	
<b>3</b>	Annuities from nonqualified plans (see instructions)	<b>3</b>	
<b>4a</b>	Rental real estate, royalties, partnerships, S corporations, trusts, etc. (Form 1040, line 17; or Form 1041, line 5)	<b>4a</b>	
<b>b</b>	Adjustment for net income or loss derived in the ordinary course of a non-section 1411 trade or business (see instructions)	<b>4b</b>	
<b>c</b>	Combine lines 4a and 4b	<b>4c</b>	
<b>5a</b>	Net gain or loss from disposition of property from Form 1040, combine lines 13 and 14; or from Form 1041, combine lines 4 and 7	<b>5a</b>	
<b>b</b>	Net gain or loss from disposition of property that is not subject to net investment income tax (see instructions)	<b>5b</b>	
<b>c</b>	Adjustment from disposition of partnership interest or S corporation stock (see instructions)	<b>5c</b>	
<b>d</b>	Combine lines 5a through 5c	<b>5d</b>	
<b>6</b>	Changes to investment income for certain CFCs and PFICs (see instructions)	<b>6</b>	
<b>7</b>	Other modifications to investment income (see instructions)	<b>7</b>	
<b>8</b>	Total investment income. Combine lines 1, 2, 3, 4c, 5d, 6, and 7	<b>8</b>	

**Part II Investment Expenses Allocable to Investment Income and Modifications**

<b>9a</b>	Investment interest expenses (see instructions)	<b>9a</b>	
<b>b</b>	State income tax (see instructions)	<b>9b</b>	
<b>c</b>	Miscellaneous investment expenses (see instructions)	<b>9c</b>	
<b>d</b>	Add lines 9a, 9b, and 9c	<b>9d</b>	
<b>10</b>	Additional modifications (see instructions)	<b>10</b>	
<b>11</b>	Total deductions and modifications. Add lines 9d and 10	<b>11</b>	

**Part III Tax Computation**

<b>12</b>	Net investment income. Subtract Part II, line 11 from Part I, line 8. Individuals complete lines 13–17. Estates and trusts complete lines 18a–21. If zero or less, enter -0-	<b>12</b>	
<b>Individuals:</b>			
<b>13</b>	Modified adjusted gross income (see instructions)	<b>13</b>	
<b>14</b>	Threshold based on filing status (see instructions)	<b>14</b>	
<b>15</b>	Subtract line 14 from line 13. If zero or less, enter -0-	<b>15</b>	
<b>16</b>	Enter the smaller of line 12 or line 15	<b>16</b>	
<b>17</b>	Net investment income tax for individuals. Multiply line 16 by 3.8% (.038). Enter here and on Form 1040, line 60	<b>17</b>	
<b>Estates and Trusts:</b>			
<b>18a</b>	Net investment income (line 12 above)	<b>18a</b>	
<b>b</b>	Deductions for distributions of net investment income and deductions under section 642(c) (see instructions)	<b>18b</b>	
<b>c</b>	Undistributed net investment income. Subtract line 18b from 18a (see instructions)	<b>18c</b>	
<b>19a</b>	Adjusted gross income (see instructions)	<b>19a</b>	
<b>b</b>	Highest tax bracket for estates and trusts for the year (see instructions)	<b>19b</b>	
<b>c</b>	Subtract line 19b from line 19a. If zero or less, enter -0-	<b>19c</b>	
<b>20</b>	Enter the smaller of line 18c or line 19c	<b>20</b>	
<b>21</b>	Net investment income tax for estates and trusts. Multiply line 20 by 3.8% (.038). Enter here and on Form 1041, Schedule G, line 4	<b>21</b>	